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UNCLAS SECTION 01 OF 06 HARARE 001377

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SUBJECT: ZIMBABWE HUMANITARIAN CRISIS: JOINT FFP/OFDA ASSESSMENT REPORT, MAY 2002

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**¶1.** (SBU) Summary: This cable reports findings of joint visit by REDSO/FFP and OFDA/ARO reps to Zimbabwe to review humanitarian crisis, including participation in FAO/WFP crop and food supply crisis will be much worse due to the minimal carryover stocks, the continuing impact of poor economic policy management and the so-called "fast-track" land reform program. Of particular concern is the impact of continuing prohibitions of private sector imports and foreign exchange controls. A combination of urgent economic policy reforms and humanitarian assistance is needed now to avert the advent of a large scale famine that would have grave social and economic impacts on Zimbabwe and the region. End summary.

**¶2.** (SBU) Overview of situation: Historically a breadbasket for the Southern African region, Zimbabwe is now in need of massive food imports and humanitarian assistance. This staggering reversal has been brought on by a combination of commercial farm invasions in the guise of land reform, poor economic policy management, and drought. Production on commercial farms has fallen dramatically, and many communal farming areas, particularly in the South and East, have experienced near total crop failure. The hunger season, which would normally end with the maize harvest in April/May, has instead been extended and deepened. There is a lack of maize available for sale in local markets, and even individuals with funds are finding it increasingly difficult to obtain food. While the climatic severity of this year's drought may be less than that of 1992, the food security crisis will be much worse due to the minimal carryover stocks, the continuing impact of poor economic policy management and the so-called "fast-track" land reform program. Of particular concern is the combination of continuing prohibitions on private sector imports and GOZ foreign exchange controls. A combination of urgent economic policy reforms and humanitarian assistance is needed now to avert the advent of a large scale famine that would have grave social and economic impacts on Zimbabwe and the region.

**¶3.** (SBU) Crop and food supply assessment mission: FAO and WFP led a multi-agency crop and food supply assessment mission in Zimbabwe from April 23 to May 10. On May 9, the assessment team debriefed donor representatives on its preliminary findings (assessment details were reported in September). A final written report of assessment findings should be released by WFP/FAO before the end of May. REDSO/FFP rep participated in part of the field portion of the mission, traveling to Masvingo and Matabeleland South provinces.

**¶4.** (SBU) Crop production estimates: The assessment mission concluded that maize production levels are even less than the 600,000 mts previously estimated, perhaps around 500,000 mts, this compares to a normal year production of over

two million mts. Annual domestic consumption requirements are over 1.8 million mts, leaving a maize import requirement of roughly 1.3 to 1.4 million mts. The assessment mission also forecast that wheat production would fall to about one-third of last year's harvest of about 330,000 mts. The poor winter wheat crop is due to the dramatic reduction of acreage planted on commercial farms, and is a direct consequence of uncertainty created by the GOZ's fast track land reform program and commercial farm invasions.

**15.** (SBU) Effects of drought: Poor rainfall has affected most of the country, with the effects of drought on crop production most pronounced in the Southern and Western provinces of Masvingo and Matabeleland (areas assessed by REDSO/FFP rep), where a long dry spell in January/February (midway through the growing season) led to widespread crop failure. Many households and communities observed during the assessment mission had virtually no harvest at all. Most maize in these areas is grown by communal farmers, with commercial farms focused more on ranching. Given the dry climate, these areas are not self-sufficient in maize production even in normal years, and most farm households normally supplement crop production with market purchases. Livestock, remittances, gold mining, and farm labor are among key income sources. The one bit of good news is that livestock has not been seriously affected. Pasture and water conditions are expected to be adequate for the rest of the year, assuming normal rains next season. In this respect the drought is less severe than the 1992 drought, which caused heavy cattle losses.

**16.** (SBU) Fate of commercial farm workers: Commercial farm invasions have caused loss of employment and displacement for many farm workers and their families. Over 2000 commercial farms are reported to have been taken over to date, and an additional 3,000 are slated for fast track takeover by the end of August 2002. In most cases, farm workers on invaded commercial farms have been chased off the land with little or no notice, sometimes with only the personal possessions they could carry, or were wearing. While it is difficult to get a firm grip on the numbers, a conservative estimate is 40-50 workers per farm and 3-4 persons per farm worker family. By this calculation, the numbers of dispossessed and now internally displaced farm workers and family members would be around 300,000 people. This number is expected to rise dramatically over the next several months when additional 3,000 farms are slated for fast track takeover.

**17.** (SBU) As yet, displaced farm workers and their families have not begun to congregate in makeshift camps or descend en masse to larger urban areas. It is believed that some have moved to neighboring farms, that others are still on the invaded farms themselves, and that still others have either blended into communities, or moved in with relatives in other urban and peri urban areas. It is anticipated that the problem of displaced workers will be most serious in the area of Mashonaland in the north, which accounts for an estimated 80% of all commercial farm workers. Assessing the gravity of the problem has been complicated, since those seeking to analyze the situation (e.g., the FAO/WFP assessment mission) have been unable to visit affected areas due to restrictions or intimidation by government and/or so-called "war veterans". To date, only limited numbers of displaced farm workers have assembled in group sites. OFDA/FFP reps visited two of these sites near Harare, where NGOs are providing food, shelter and other assistance to approximately 270 displaced workers and family members. As the number of farm invasions continues to increase, it is likely that the numbers arriving in such sites will rise substantially.

**18.** (SBU) Economic policy effects: Have compounded the problems caused by drought and the invasion of commercial farms. Economic policies that have discouraged crop production and greatly restricted the country's capacity to import maize. Key among these policies are food price controls, the monopoly of the GOZ's Grain Marketing Board (GMB), and foreign exchange rate controls.

**19.** (SBU) Market access to food: In past years,

when crop performance was poor, rural households could satisfy their food needs with purchases in local markets - and, in particular sales from the government's Grain Marketing Board (GMB) where maize was usually readily available and affordable. This is no longer the case in many areas, since access to maize in local markets and from the GMB is increasingly difficult. In all the areas visited, including the cities of Harare and Bulawayo, maize is increasingly in short supply, with a marked drop off in availability since the election. While the GMB's official prices remain reasonable (despite a recent increase), very little maize can actually be bought at this price. GMB's imports have been inadequate for meeting demand, and much of their supplies are going through traders or "insiders" who are reselling at prices above the official prices. Not surprisingly, it is alleged that affiliation with the ruling party is a determining factor in who gets direct access to GMB supplies. Given the government policies prohibiting both the import of and wholesaling of food by the private sector, privileged traders with access to GMB supplies can readily take advantage of the situation to charge prices double, triple or more than the official price. At one rural GMB depot (visited by REDSO/FFP rep), women had been queuing for several days, waiting to purchase maize that had not even arrived yet. There was wheat available at the depot, but it was twice as expensive and thus unaffordable. In other places, many consumers have no access to maize from GMB and must either rely on private traders or substitute other food. This scarcity of maize in markets will only get worse as the year progresses. With a limited supply of foreign exchange, the GOZ is expected to be able to purchase only about a quarter of the cereal import requirement, leaving a consumption gap of approximately one million mts.

¶10. (SBU) Health/nutrition concerns: UNICEF, WHO and related NGOs are reporting serious deterioration of the health service network in Zimbabwe, as well as the general health of people. Many health workers have left the country or are doing other jobs, and NGOs report that remaining health post personnel are desperately in need of training. Health posts and clinics also lack basic medicines. In particular, cholera has been reported, since accessing medicine for treatment of cholera is difficult. DFID and EU have recently provided several million USD to WHO and UNICEF for medicines. In addition measles vaccination coverage has fallen from 70-80% in previous years to only 43% in 2001. Problems of inadequate health services are reportedly worse in rural areas than in urban areas. UNICEF and WHO have been working with the GOZ Ministry of Health to conduct health and household surveys in 24 of 59 districts, data from which should be available soon. However, OFDA rep expressed serious concerns about the quality and reliability of the survey work being done.

¶11. (SBU) Food aid needs: While food aid has already helped to mitigate the food availability problem in many areas, food aid alone will not be able to meet this large consumption gap, nor should it be expected to. Availability of donor resources, logistical constraints, and the limited capacity of NGOs to effectively implement and monitor large scale food aid distributions are all factors that will limit the scale of the food aid response. To be effective, the food aid response must be accompanied by reversal of GOZ policies that have closed import and wholesale markets to the private sector and severely restricted access to foreign exchange. It is essential that commercial imports be dramatically increased so that the bulk of consumers that have economic means can obtain food in local markets and thereby allow emergency food aid to be targeted only to households that lack purchasing power.

¶12. (SBU) Political manipulation of humanitarian aid: Donors are very concerned about the potential (and actual) political manipulation of food aid and other humanitarian assistance. There are reports of humanitarian aid being directed only to pro-ZANU/PF supporters and to government officials "attaching themselves" to food aid deliveries in order to gain political support from beneficiaries. USG and other donors are therefore emphasizing that close "external" monitoring (i.e., monitors outside of the implementing

agencies themselves) is essential to ensure effective targeting of resources and minimizing political manipulation of donor aid.

**¶13.** (SBU) GMO maize acceptability: As of the end of May, the GOZ had not accepted the 10,000 mts of U.S. yellow maize that has been allocated for Zimbabwe from the regional shipment of 30,000 mts of yellow maize (plus other commodities) that is expected to dock in Dar Es Salaam around May 26. (Note: This shipment has been rerouted to other regional beneficiaries). The GOZ's refusal is based on concerns about the maize being genetically modified (i.e., GMO). It is unclear, however exactly what the GOZ is concerned about, since they have switched back and forth between risks of contamination of local (hybrid) varieties and risks to EU export markets (even though the EU denies any prohibitions on GMO-fed beef).

**¶14.** (SBU) Cereal alternatives: If the GOZ does not agree to accept the maize allocated from the regional stock, an immediate implication is that the 10,000 mts of maize from the regional shipment will have to be reallocated to other countries in the region. (See note above). This will have a major negative impact on the Zimbabwe food aid pipeline at a time when distributions need to be substantially increased. An additional implication is that it will be necessary to identify an alternative cereal for future shipments. While GMO yellow maize meal (as opposed to grain) is acceptable (and is already being used) FFP/W has indicated that it will not be able to supply meal in great enough quantities to address the Zimbabwe crisis. A second alternative would be immediate milling of yellow corn that is not certified GMO-free upon arrival, at GOZ expense. While traveling in the field, REDSO/FFP rep queried many people about the acceptability of sorghum. While it is clearly not the preferred option, it appears that sorghum would be an acceptable alternative to maize grain in Zimbabwe (it could also be used in some other countries in the region). The fact that sorghum is less preferred could also have advantages for targeting purposes.

**¶15.** (SBU) Addressing urban food needs: While food aid activities are currently targeted only to rural areas, the lack of maize in urban markets, the resulting higher prices, and the general decline and rising unemployment are causing increasing food insecurity in urban areas. However, distributing food aid in urban areas through conventional distribution approaches would be very difficult due to the large numbers involved as well as the lack of NGO capacity. Ideas are under discussion by WFP and donors on how to channel food aid through the private sector (e.g., subsidized sales). However, a prerequisite for any such approach is GOZ enactment of a number of policy changes to liberalize markets (as described above). There is presently little sign that GOZ will make such changes. It is also not clear at this point that allocating substantial amounts of emergency food aid to this type of urban intervention would be the most effective use of this scarce resource, as needs in rural areas are currently more acute than in urban areas, with the possible exception of the so-called "informal settlements" areas. It is also unclear that subsidized food aid sales would directly benefit the most needy urban dwellers, who may have little or no purchasing power. This issue does require further consideration, however, and in particular more attention must be directed to informal settlements, where urban poverty is greatest.

**¶16.** (SBU) Future assessments and regional food appeal: This cable does not provide specific numbers on food aid and non-food aid needs. In part this is because UN is not prepared at this time to release specific numbers until completion and analysis of the data and discussion at the regional meetings to be held June 6 and 7. OFDA/ARO and REDSO/FFP reps plan to participate in these meetings and will subsequently report on estimated levels of regional needs. In addition, OFDA/ARO and REDSO/FFP are also planning for a series of follow-up assessments to further refine needs assessments and recommendations for response.

SULLIVAN